



August 2022

INVITATION FOR BIDS NO. IFB-M-2022-01

FURNISHING

JANITORIAL SERVICES FOR COMFORT STATIONS

DEPARTMENT OF LAND AND NATURAL RESOURCES

DIVISION OF BOATING & OCEAN RECREATION

ISLAND OF MAUI, HAWAII

PLEASE DIRECT QUESTIONS TO THIS SOLICITATION TO PAUL K. SENSANO,
MAUI DISTRICT MANAGER AT:
TELEPHONE: (808) 243-5899
FACSIMILE (808) 243-5829 OR
EMAIL: paul.k.sensano@hawaii.gov

INVITATION FOR BIDS NO. IFB-M-2022-01
FURNISHING JANITORIAL SERVICES FOR COMFORT STATIONS
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION
ISLAND OF MAUI, HAWAII

Maui District Manager
Department of Land and Natural Resources
101 Maalaea Boat Harbor Road
Ferry Terminal Building
Wailuku, HI 96793

Dear Maui District Manager:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and included by reference, the AG General Conditions, Form AG-008, 4/15/09; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) Offeror is declaring that offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) Offeror is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Offeror is:

Sole Proprietor Partnership *Corporation Joint Venture
 Other _____

*State of incorporation: _____

Hawaii General Excise Tax License I.D. No. _____

Payment address

(other than street address below): _____

City, State, Zip Code: _____

Business address (street address): _____

City, State, Zip Code: _____

Respectfully submitted:

(x)

Date:

Authorized (Original) Signature

Telephone No.:

Name and Title (Please Type or Print)

**

Fax No.:

Exact Legal Name of Company (Offeror)

E-mail Address:

**If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the

corporation under which the awarded contract will be executed:

Offeror shall provide the following:

Offeror's Business Address _____

Contact Person(s)*: _____

Telephone No.*:

Office _____

Cellular _____

Pager _____

*Contractor must be able to verbally respond to the State within two (2) hours of call/request.

Number of years providing janitorial services for commercial businesses in Hawaii: _____

Insurance Coverage (if applicable)**

	Description	Carrier	Policy No.	Agent
1	Commercial General Liability	_____	_____	_____
2	Automotive Liability	_____	_____	_____
3	Worker's Compensation	_____	_____	_____
4	Temporary Disability Insurance	_____	_____	_____
5	Prepaid Health Care	_____	_____	_____
6	Unemployment Insurance: State of Hawaii I.D. No.	_____	_____	_____

**If you are not required to have one or more of the above coverages, please explain below or on a separate sheet:

Names and addresses of companies or government agencies for which Offeror has provided or is currently providing janitorial services:

	Name	Address	Contact	Telephone No.
1	_____	_____	_____	_____

2

3

The following offer is hereby submitted for Janitorial Service for the Comfort Stations at Lahaina Small Boat Harbor, Maalaea Small Boat Harbor and Kihei and Mala Boat Launch Facilities (Kihei and Mala Ramps), as specified herein:

Item No.	Description	Bid Price per Month	Months	Total Bid Price
1	Lahaina Small Boat Harbor		12	\$0.00
2	Kihei Ramp		12	\$0.00
3	Mala Ramp		12	\$0.00
4	Maalaea Small Boat Harbor		12	\$0.00
Total Sum Bid:				\$0.00

Percent of bid price representing employee wages: _____ %

Contractor shall pay its employees for work done under this contract wages equal to or better than Janitor I public employee positions. (Refer to Special Provisions, STATUTORY REQUIREMENTS OF HRS §103-55).

**WAGE CERTIFICATE
FOR SERVICE CONTRACTS**
(See Special Provisions)

Subject: IFB No.: IFB-M-2020-01

Title of IFB: Furnishing Janitorial Services for Comfort Stations at Lahaina Small Boat Harbor, Maalaea Small Boat Harbor and Kihei and Mala Boat Launch Facilities

Pursuant to HRS §103-55, I hereby certify that if awarded the contract in excess of \$25,000, the services to be performed will be performed under the following conditions:

1. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with; and
2. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work, with the exception of professional, managerial, supervisory, and clerical personnel who are not covered by HRS §103-55.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by HRS §103-55.

Offeror _____

Signature _____

Title _____

Date _____

SPECIFICATIONS

1.0 SCOPE OF WORK

The furnishing of comfort station cleaning services for the Department of Land & Natural Resources (DLNR), Division of Boating and Ocean Recreation (DBOR), on the island of Maui shall be in accordance with these Special Provisions, the attached Specifications, and the AG General Conditions, Form AG-008 Rev. 4/15/2009.

Contractor shall furnish all labor, equipment, cleaning supplies and supervision to satisfactorily perform janitorial services at the comfort stations at Lahaina Small Boat Harbor, Maalaea Small Boat Harbor and Kihei and Mala Boat Launch Facilities (Kihei and Mala Ramps).

Contractor shall furnish all disposable supplies which includes but is not limited to: paper towels, toilet tissue, hand soap, plastic trash bags, and light bulbs. Contractor shall also furnish cleaning supplies and equipment such as brooms, mops, sponges, brushes, dusters, scouring pads, disinfectants, cleaning detergents and soaps, and other supplies and equipment necessary to perform specified services.

All chemicals shall meet Federal and State requirements. The Contractor shall furnish the appropriate Material Safety Data Sheets (MSDS) for all chemicals and shall furnish appropriate safety and public notification signs.

2.0 WORK SCHEDULE

Services shall be performed seven (7) days a week, including holidays.

General Services as specified herein shall be performed on a daily basis during the following periods:

Lahaina Harbor (two (2) services):	
First service:	9:00 AM to 11:00 AM during regular Business hours
Second service:	9:00 PM to 11:00 PM Doors locked
Maalaea Harbor	8: PM to 10:00 PM Doors locked
Maalaea Harbor Office	6:00 PM to 8:00 PM Doors locked at 4:30 pm by harbor staff
Mala Launching Facility:	7:00 PM to 9:00 PM Doors locked
Kihei Launching Facility:	6:00 PM to 8:00 PM Doors locked

3.0 GENERAL FACILITY INFORMATION

Lahaina Harbor
675 Wharf Street
Lahaina, HI 96761
Phone: (808) 662-4060

Size: estimated at 750 sq ft

Maalaea Harbor Office
101 Maalaea Boat Harbor Road
Ferry Terminal Building
Wailuku, HI 96793
(808) 243-5818
Size: estimated at 465 sq ft

Maalaea Harbor
101 Maalaea Boat Harbor Road
North Comfort Station (by US Coast Guard)
Wailuku, HI 96793
(808) 243-5818
Size: estimated at 792 sq ft

Mala Boat Ramp
Mala Wharf off of Front Street,
behind Wilson's Boat Yard in Lahaina
Lahaina, HI 96761
Phone: Contact Lahaina Harbor
Size: estimated at 506 sq ft

Kihei Boat Ramp
Located in Kihei next to Kamaole Park #3
Phone: Contact Maalaea Harbor
Size: estimated at 270 sq ft

4.0 GENERAL SERVICES

4.1 Daily Services

- 4.1.1 Sweep, wet mop and disinfect all restroom floors. All floors are ceramic.
- 4.1.2 Clean and disinfect restroom fixtures, including basins, toilets, and urinals.
- 4.1.3 Clean and polish mirrors and dispensers.
- 4.1.4 Remove smudges, graffiti, and markings from interior walls and doors.
- 4.1.5 Replenish supplies in restroom dispensers as required.
- 4.1.6 Empty, clean and line refuse containers. Trash shall be removed from the building and disposed of in dumpster or trash container.
- 4.1.7 Maalaea Harbor, Kihei and Mala comfort stations shall be locked by the Contractor upon completion of cleaning.
- 4.1.8 Lahaina Harbor shall be locked by the Contractor upon completion of its second service of cleaning.

4.2 Services to be performed as required

- 4.2.1 Perform minor corrective maintenance such as clearing blockages.
- 4.2.2 Replace burnt out light bulbs.

5.0 CONTRACTOR'S RESPONSIBILITY

- 5.1 Safety Devices.** It shall be the Contractor's responsibility to provide safety signs, barricades and any other safety device necessary during the performance of service. These safety devices shall be set-up by the Contractor whenever employees are performing services such as damp mopping, washing concrete flooring, and whenever a ladder is being used. Safety devices shall be set-up in a manner to restrict access to the area, to prevent accidents to building occupants and the general public.
- 5.2 Hazard Communication Standard.** Contractor shall adhere to all provisions of the Hazard Communication Standard as administered by the Department of Occupational Safety and Health (DOSH), State of Hawaii pertaining to the use of hazardous chemicals at the job site. This requirement shall include but not be limited to the following:
- 5.2.1 Caution signs shall be provided and displayed at each location where there is exposure to toxic materials or harmful physical agents. Labels shall be affixed to all toxic materials or harmful physical agents, or their containers, warning of their potential danger.
- 5.2.2 Contractor shall post information (Material Safety Data Sheet) prominently regarding hazards posed by toxic materials or harmful physical agents in the employers workplace, to include but not be limited to the Lahaina offices and in the storage rooms of the comfort stations at the Kihei and Mala ramps. The information shall include suitable precautions, relevant symptoms, and emergency treatment in case of overexposure.
- 5.2.3 Contractor's employees are required to handle or use poisons, caustics, and/or other harmful substances shall be properly trained and instructed on safe handling and use, and be made aware of the potential hazards, and of personal hygiene and personal protective measures required.

6.0 KEYS

If applicable, Contractor shall be responsible for State key(s) loaned to the Contractor for entry and exit to the agency premises while performing services under the contract. Contractor shall return all keys within twenty-four (24) hours of contract termination or when required by the State. Contractor shall be charged for lock and key replacement(s) if keys are lost during the term of the contract or not returned within twenty-four (24) hours of contract termination. Contractor shall not make any unauthorized copies of keys.

SPECIAL PROVISIONS

1.0 SCOPE

The furnishing of Janitorial Services for Comfort Stations at Lahaina Small Boat Harbor, Maalaea Small Boat Harbor and Kihei and Mala Boat Launch Facilities for Department of Land and Natural Resources, Division of Boating and Ocean Recreation, shall be in accordance with these Special Provisions, the attached Specifications, and included by reference, the General Conditions, Form AG-008, dated 4/15/2009.

2.0 CONTRACT ADMINISTRATOR

For the purpose of this contract, Paul K. Sensano or designee, is designated Contract Administrator (CA). The telephone number at which he may be reached is (808) 243-5824.

3.0 TERM OF CONTRACT

The term of contract shall be for the twelve (12) month **period** commencing from the official date on the Notice to Proceed.

Unless terminated, the contract may be extended without re-bidding, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for not more than three (3) additional twelve (12) month periods, or parts thereof. Provided, however, the contract price for the extended period shall remain the same or lower than the initial contract price, subject to any price increase allowed by the contract.

The Contractor or the State may terminate any extended contract period at any time upon ninety (90) days prior written notice.

4.0 RESPONSIBILITY OF OFFERORS

Offeror is advised that if awarded a contract under this solicitation, Offeror shall, upon award of the contract, furnish proof of compliance with the requirements of HRS §103D-310(c):

- 1) Chapter 237, tax clearance;
- 2) Chapter 383, unemployment insurance;
- 3) Chapter 386, workers' compensation;
- 4) Chapter 392, temporary disability insurance;
- 5) Chapter 393, prepaid health care; and
- 6) Certificate of Good Standing (COGS) for entities doing business in the State.

Refer to the Award of Contract provision herein for instructions on furnishing the documents that are acceptable to the State as proof of compliance with the above mentioned requirements.

5.0 ELECTRONIC PROCUREMENT

The State has established the Hawaii Electronic Procurement System (HlePRO) to solicit for goods and services electronically. Offerors interested in responding to this electronic solicitation must be registered and submit their bids through HlePRO.

As part of this procurement process, Offerors are informed that awards made for this solicitation, if any, shall be done through HlePRO and shall therefore be subject to a mandatory transaction fee, which shall not exceed \$5,000. The transaction fee shall be based on the actual cost of the contract and is payable to the contractor managing the HlePRO. Refer to the Payment to Sicommnet provision herein.

6.0 OFFEROR QUALIFICATIONS

To assure the State that the Offeror is capable of performing the work specified herein, Offeror must meet the following:

- 6.1 Experience.** Offeror must have at least twelve (12) months experience in operating a janitorial maintenance business in Hawaii in the commercial sector. Proof shall be furnished upon request. Offeror shall indicate on the appropriate Offer Form page the number of years in operation.
- 6.2 Location.** Offeror must have a permanent office location on the island of Maui from where Offeror conducts business during normal working hours and from where Offeror will be accessible to requests or complaints. Offeror must be able to verbally respond to the State within two (2) hours of call/request. Offeror shall indicate on the appropriate Offer Form page the business address, telephone number(s) and name of the contact person(s) who will be responding to calls/requests.

7.0 CERTIFICATION OF INDEPENDENT COST DETERMINATION

By submission of a bid in response to this IFB, Offeror certifies as follows:

- A. The costs in this IFB have been arrived at independently, without consultation, communication, or agreement with any other Offeror, as to any matter relating to such costs for the purpose of restricting competition.
- B. Unless otherwise required by law, the cost which have been quoted in this IFB have not been knowingly disclosed by the Offeror prior to award, directly or indirectly, to any other Offeror or competitor prior to the award of the contract.
- C. No other attempt has been made or will be made by the Offeror to indicate any other person or firm to submit or not to submit for the purpose of restricting competition.

8.0 SITE INSPECTION

Prior to submittal of an offer, Offeror is encouraged to visit and inspect the various comfort station sites to thoroughly familiarize themselves with existing conditions, rules and regulations, and the extent and nature of work to be performed. No additional compensation, subsequent to bid opening, shall be allowed by reason of any misunderstanding or error regarding site conditions or work to be performed.

The site inspection is not mandatory; however, submission of an offer shall be evidence that the Offeror understands the scope of the project and shall comply with specifications herein, if awarded the contract.

Offerors shall direct questions directly to the Contract Administrator regarding site inspection and conditions.

9.0 BID PREPARATION

9.1 Offer Form, Page OF-1. Offeror is requested to submit its offer using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the first page of the Offer Form shall be an original signature in ink, which shall be required before an award, if any, can be made. Ink signatures are not required for electronic submission of bid on HePS but shall be required upon Notice of Award. The submission of the bid on HePS shall indicate Offeror's intent to be bound.

9.2 Bid Quotation. Unit bid price shall include labor, equipment, supplies, transportation, storage, all applicable taxes and any other costs incurred to provide services specified including the transaction fee for processing this procurement electronically.

9.3 Tax Liability. Work to be performed under this solicitation is a business activity taxable under HRS Chapter 237, and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the 4% rate for work done on Maui. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

9.4 References. Offeror shall furnish on the Offer Form, the names and addresses of three (3) companies or government agencies that Offeror has provided or is currently providing identical or similar services as specified herein. The State reserves the right to contact the listed references to inquire about the Offerors performance. Failure to provide references may delay award, if any. The State reserves the right to contact the references provided and to reject any bid submitted by a Contractor whose performance on other service contracts similar to this one has been proven unsatisfactory. Offeror who is unable to provide the

State with references will be considered to have provided unsatisfactory performance and will result in the rejection of the bid.

9.5 Insurance. Offeror shall provide insurance information as requested on the appropriate Offer Form page(s).

9.6 Wage certificate. The Offeror shall complete and submit a Wage Certificate by which the Offeror certifies that services required will be performed pursuant to HRS §103-55.

10.0 STATUTORY REQUIREMENTS OF HRS §103-55

Offeror is advised that HRS §103-55, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Offeror is further advised that in the event of an increase in wage rates to public employees performing similar work during the contract period, Contractor will be obliged to provide wages no less than those increased wages.

Contractor shall be further obliged to notify its employees performing work under this contract of the provisions of HRS §103-55, and of the current wage rate for public employees performing similar work. Contractor may meet this obligation by posting a notice to this effect in the Contractor's place of business accessible to all employees, or Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

To assist the Offeror in determining whether the work his employees are to perform under this contract is similar to that performed by public employees, attached are class specifications for public employee positions that perform janitorial services. Effective July 1, 2008, the basic hourly wages paid to the State positions are as follows:

<u>Class</u>	<u>Hourly Rate</u>
Janitor I (BC01) (See Attachment, pages A-1 for Position Class Specification)	\$15.76/hr.

Accordingly, Offeror should consider the aforementioned wage rates when preparing its quote.

11.0 SUBMISSION OF OFFER

Offers shall be received electronically through the Hawaii Electronic Procurement System (HlePRO). Offers received outside of the HlePRO will not be accepted.

12.0 AWARD OF CONTRACT

12.1 Method of Award. Award, if made, shall be to the responsive, responsible Offeror submitting the lowest Total Sum Bid Price. Offeror must bid on all items specified on the Offer Form page(s) to be considered for award.

12.2 Hawaii Compliance Express. Vendors may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.ehawaii.gov> to acquire a "Certificate of Vendor Compliance." The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that vendor's status is compliant with the requirements of HRS §103D-310(c), shall be accepted for both contracting purposes and final payment. Vendors that elect to use the new HCE services will be required to pay an annual fee of \$12.00 to the Hawaii Information Consortium, LLC (HIC). Vendors choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the referenced SPO General Provisions, Section 26.

13.0 LIABILITY INSURANCE

The Contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance to protect the Contractor and his subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under this contract, whether such operations be by himself or by an subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Contractor may require subcontractor to provide its own insurance which meets the requirements herein. It is understood that a subcontractor's insurance policy or policies are in addition to the Contractor's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Contractor, including its subcontractor(s) where appropriate.

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (occurrence form)	\$1,000,000 combined single limit per occurrence for bodily injury and property damage \$2,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit per occurrence for bodily injury and property damage

Each insurance policy required by this contract, including a subcontractor's policy, shall contain the following clauses:

- A. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Land and Natural Resources. Division of Boating and Ocean Recreation, 101 Maalaea Boat Harbor Rd, Wailuku, Hawaii 96793."

- B. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
- C. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements.

Upon Contractor's execution of the contract, the Contractor agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the State during the entire term of this contract, including those of its subcontractor(s), where appropriate. Upon request by the State, Contractor shall be responsible for furnishing a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

14.0 EXECUTION OF CONTRACT

No performance or payment bond shall be required for this contract.

The State shall forward to the successful Offeror a formal contract to be signed by the Contractor and returned within ten (10) days in accordance with Section 29 of the General Provisions. No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed issued by the State upon execution of the contract by both parties. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official commencement date.

15.0 NOTICE TO PROCEED

Work will commence on the official commencement date specified on the Notice to Proceed.

No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed issued by the State upon execution of the contract by both parties. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official commencement date.

16.0 INVOICING

Contractor shall submit original and three copies of the invoice to the following address:

Department of Land and Natural Resources
Division of Boating and Ocean Recreation
101 Maalaea Boat Harbor Rd.
Wailuku, HI 96793

Invoice should reference both the contract number and the IFB number.

A tax clearance certificate, not over two months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract. Alternately, a "Certificate of Vendor Compliance", issued through the Hawaii Compliance Express system, shall be acceptable for final payment requirements.

17.0 PAYMENT TO HAWAII INFORMATION CONSORTIUM

The Hawaii Electronic Procurement System (HlePRO) is administered by Hawaii Information Consortium (HIC). HIC will invoice the awarded vendor directly for payment of transaction fees. Payment must be made to HIC within thirty (30) days from receipt of invoice. HIC is an intended third-party beneficiary of transaction fees, which are used to fund the operation, maintenance and future enhancements of the HlePRO system.

18.0 PRICE ADJUSTMENT DUE TO WAGE INCREASE TO STATE EMPLOYEES

Should Janitor I wages increase subsequent to bid opening, the Contractor may request for increase in contract price. The increase requested must result in increase in wages to Contractor's employees performing the work herein, including any increase in costs for benefits required by law that are automatically increased as a result of increased wages, such as Federal Old Age Benefit, Workers Compensation, Temporary Disability Insurance, and Unemployment Insurance.

18.1 **Criteria.** The Contractor's request for increase must meet the following criteria:

18.1.1 At the time of a request, Contractor must provide documentation to show that it is in compliance with HRS §103-55, i.e., its employees have been paid comparable wages to the State position listed herein. Documentation shall include the employees' payroll records and a statement that the employees are being utilized for this contract.

18.1.2 At the time of bidding, the Contractor must have specified on the appropriate Offer Form page the percentage of the unit bid price that represents labor costs. If the contractor fails to specify the percentage, the Contractor's request for increase will not be considered.

18.1.3 Request for increase must be made in writing to the SPO on a timely basis:

18.1.3.1 The request must be made as soon as practicable after the State wage agreements are made public. The approved request will be retroactive only for the current contract period. Contractor shall show proof that its employees were given comparable wages to that of the State wages from the retroactive date.

Example: Original contract period: Mar. 7, 2003 to Mar. 6, 2004
Extension period: Mar. 7, 2004 to Mar. 6, 2005

The option to extend the original contract is exercised for the period March 7, 2004 to March 6, 2005. On March 1, 2005, the State announces a pay raise retroactive to July 1, 2003 and the Contractor soon thereafter submits a request of modification accompanied by acceptable documentation. A contract modification is issued to reflect a price adjustment for the current period of the contract, March 7, 2004 to March 6, 2005. Note that the price adjustment is not applied retroactively to July 1, 2003 since the condition of this contract allows price adjustment to the current contract period only.

18.1.3.2 The request for an increase for a supplemental period of the contract must be made prior to the start of the supplement. The Contractor can visit the Department of Human Resources Development website, <http://hawaii.gov/hrd> to obtain current wage information.

18.2 **Calculation.** If the Contractor meets the above criteria in its request for contract price increase, the following formula shall be used to calculate the increase per month:

$$WI = (XY) (Z) + FB$$

Whereby, $WI = AZ + FB$

WI = Dollar amount increase in Bid Price per Month due to increase in State wages;

X = Original contract price per month;

Y = Percentage of bid price designated by Contractor as representing labor costs;

Z = Percentage increase in wages paid to State employees performing similar work;

FB = Additional costs for those benefits required by statute, directly related to the actual dollar amount of increase in wages paid to Contractor's employees;

A = That portion of the contract amount representing wages (this amount is X times Y plus any prior increase(s) in contract price per month, made official by contract modification or contract amendment, resulting from increase in State wages).

18.3 **Fringe Benefits.** If request includes adjustment for wage related fringe benefits (FB), Contractor must provide support documentation and an itemized percentage breakdown of the fringe benefits being paid.

The State has determined that the applicable fringe benefits for wage related price adjustments shall be limited to: 1) Federal Old Age Benefits, 2) Worker Compensation, 3) Temporary Disability Insurance, and 4) Unemployment Insurance. Based on past experience, it has been determined that the percentage increase be set at 16%. If Contractor is able to document that its percent for fringe is higher than 16%, the State will review and consider Contractor's claim.

The increase shall be reflected in either a contract modification or in the supplemental agreement issued for any extended period of the initial contract.

19.0 PAYROLL AFFIDAVITS

Upon the State's request, Contractor will be required to submit quarterly payroll documentation for all employees working under this contract. Documentation shall include employee time cards, payroll records, and copies of canceled checks to verify that Contractor's employees are being paid State of Hawaii Janitor I prevailing wages for hours worked under this contract.

If Contractor is found to be in violation of HRS §103-55, and does not correct the violation within thirty (30) calendar days and provide evidence to DOBOR that the violation has been corrected, the State will terminate the contract.

20.0 SUBCONTRACTORS

The Contractor shall not delegate any duties listed in this IFB to any subcontractor unless the Contract Administrator has given written approval. The State reserves the right to approve all subcontractors and shall require the primary contractor to replace any subcontractors found to be unacceptable. The primary contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary contractor performs them.

21.0 INSPECTIONS

The Contract Administrator or his representative reserves the right to inspect Contractor's job performance at any time.

22.0 RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and shall immediately remedy any defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

23.0 REMOVAL OF CONTRACTOR'S EMPLOYEES

Contractor agrees to remove any of its employees from services rendered and to be rendered to the State, upon request in writing by the Procurement Officer.

24.0 LIQUIDATED DAMAGES

Refer to Section 9 of the AG General Conditions, Form AG-008, as revised. Liquidated damage is fixed at the sum of TWENTY-FIVE DOLLARS (\$25.00) per each and every calendar day per location per violation the Contractor fails to perform in whole or in part any of his obligations specified herein. Liquidated damage, if assessed, may be deducted from any payments due or to become due to the Contractor.